

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1560-01
Bill No.: Perfected HB 590
Subject: Disabilities; Department of Revenue and Economic Development
Type: Original
Date: March 28, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (DED)** state they would approve and authorize the tax credit to eligible small businesses, as defined in Section 44 of the Internal Revenue Code. No FTE and no equipment and expenses are anticipated at this time. However, if volumes increase, DED will need to request funding in a future budget.

Officials from the **Department of Revenue (DOR)** state this proposal requires the DOR and the DED to jointly administer the tax credit available to small businesses for access expenditures made in compliance with the Americans with Disabilities Act of 1990.

The DOR assumes that the DED will be the certifying agency and the DOR's role would be to process the credit when they were filed on the tax returns. This would make the procedures of this credit similar to other credits, and takes DOR out of the administration of this credit. Because the credit has already been established on the forms and programming changes have already been made, there will be no additional administrative impact to the Department of Revenue.

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to additional publishing duties related to the Department of Economic Development and the Department of Revenues's joint authority to promulgate rules, regulations, and forms. SOS estimates they could require approximately 18 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 27 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal would be \$1,107, however, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal; however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

FISCAL IMPACT - State Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal changes the administration of the tax credits for small businesses for amounts paid or incurred to comply with the Americans with Disabilities Act of 1990. Under current law, the tax credits are administered exclusively by the Department of Revenue. The proposal requires the departments of Economic Development and Revenue to jointly administer the tax credits.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Department of Revenue
Office of the Secretary of State



Jeanne Jarrett, CPA
Director
March 28, 2001